

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
February 4, 2009**

MEMBERS PRESENT: Scott Rogers (Chairman)

Byron Hathorn	Rick Moulton
Dave Wulfson	C.J. "Mike" Coates
Dave Allaire	Carl Fowler
Chris Andreasson	Charlie Moore
Eric Bohn	Charles Hunter
Chris Martel	Rep. Sonny Audette
Rep. Bill Aswad	Joann Erenhouse
George Barrett	

OTHERS PRESENT: Robert Ide, VTrans Rail Operations Section
Charlie Miller, VTrans Rail Operations Section
Bob Atchinson, VTrans Rail Operations Section
Scott Bascom, VTrans
J. Jeffrey Munger, Senator Sanders Office
Ted Brady, Senator Leahy's Office
Paul Craven, Craven Mgmt.
John Wilson, Jacobs
Mary Anne Michaels, VRS
Chris Parker, VRAN
Matt Levin, VCE
Roger Thompson, FHWA
Tom Macaulay, Rutland Redevelopment Authority
Dave Crawford, Essex Junction Village Manager
Robin Pierce, Essex Junction Development Director
Nancy Ramsen, Burlington Free Press
Peter Hirschfeld, Vermont Press Bureau
Scott Howland, Amtrak
Steve Vantine, State Auditor's Office
Tom Daniel, VTrans Finance Administration
John Read, TranSystems Corp.
Daryl Benoit, CCMPO
Mario Brault, St. Lawrence & Atlantic Railroad
Edward J. Foley, St. Lawrence & Atlantic Railroad
Jerry Vest, St. Lawrence & Atlantic Railroad
Art Hogan, citizen

1. Call to Order & Approval of Minutes

Scott Rogers called the meeting to order at 1 p.m. Introductions were made.

Approval of Minutes*December 3, 2008*

MOTION by Carl Fowler, SECOND by George Barrett, to approve the 12/3/08 minutes as written. VOTING: unanimous; motion carried.

January 9, 2009

MOTION by Rick Moulton, SECOND by Charlie Moore, to approve the 1/9/09 minutes with the following corrections/clarifications:

Globally – correct the spelling of “Budd car”;

VOTING: unanimous; motion carried.

Carl Fowler suggested longer paragraphs in the minutes be broken into shorter paragraphs per issues covered. Mr. Fowler urged the Rail Council to meet more often as was stressed at the last meeting especially in light of current circumstances. Mr. Fowler said he would attend the meetings even without compensation.

There was discussion of the comment by Rep. Audette in the 1/9/09 minutes regarding projects not being ready to go according to the Secretary of Transportation, David Dill. Robert Ide reported Secretary Dill’s recollection is that he (Mr. Dill) said there are projects ready to go. Rep. Audette stood by his comment as stated in the 1/9/09 minutes.

2. Essex Junction Rail Initiatives

Dave Crawford, Essex Junction Village Manager, reviewed the proposal by Essex Junction for a community rail connection from Essex Junction to Burlington as part of the Pearl Street Improvement Project by the Village of Essex Junction. The rail connection would create a regional link for Amtrak. The first initiative includes a stop at a new station by Five Corners in Essex Junction. The community rail connection will go down Route 15/Pearl Street toward Burlington. Another phase of the initiative includes a multi-use path along the rail line. Also, the entrance to the fairgrounds will be relocated and there will be a connector to the state owned property on West Street (current location of the Agency of Natural Resources Act 250 office). Potential funding sources include the recovery act, money from VTrans, and earmarks. The first phase will be the upgrade of the roadbed and the recreation path at an estimated cost of \$8 million (of which \$2 million is for the recreation path). Equipment purchase (passenger rail cars) is estimated at \$10 million, and the parking area by the Agency of Natural Resources office (Act 250) is estimated at \$2 million.

Charlie Moore asked if the cost of fencing between the recreation path and the rail line is included in the estimates. Mr. Crawford stated lighting, fencing, other items are all included along with a 20% contingency. The pricing amount is as realistic as possible. The path is a major safety effort because people are walking along the rail corridor now. The multi-use path will be in Essex Junction only, from the West Street intersection through the village downtown. Mr. Moore suggested the St. Albans city manager be contacted to discuss the possibility of partnering on the project since St. Albans is

considering similar work. Dave Crawford reiterated the impetus is for safer conditions. Essex Junction is intertwined with the railroad and wants to collaborate.

Carl Fowler confirmed the three phases of the project as described by Dave Crawford include going to Burlington. Mr. Fowler asked if RDC equipment is anticipated. Mr. Crawford said the equipment is based on best guesses and compiling information in a short time frame. There is a huge amount of information in the file from studies in the 1990s. The goal with the proposal is to get away from process and do the project, stated Mr. Crawford. Mr. Fowler asked if the tunnel will allow use of a double-decker gallery car. Charles Hunter said he would have to determine if there is clearance for a RDC with an air conditioning bubble.

Rick Moulton mentioned the CCMPO Route 15 corridor study could provide information. The number of stops along the line as proposed is many, observed Mr. Moulton. Paul Craven may be a helpful contact. Carl Fowler suggested reviewing the study done by Eugene Skoropowski on commuter rail in the area (the critical first step in the study was connection from Burlington to Essex Junction). Sonny Audette noted South Burlington has plans to bring a recreation path to the Lime Kiln Bridge so there could possibly be a connection to the path in Essex Junction.

Robin Pierce, Essex Junction Development Director, reviewed the crescent connector road proposal to bypass Five Corners in Essex Junction (Route 2A to Route 15). The road will require one new railroad crossing and the upgrade of three crossings for the community rail connector stop.

Carl Fowler urged keeping in mind a connection to the Vermonter so the Amtrak station should be served.

Rep. Aswad asked about access to IBM. Charlie Miller stated there was an agreement in principle with John O’Kane of IBM several years ago. VTrans was to build a platform for passengers to enter/exit the train. IBM would build a facility so employees could use the train and then access the IBM complex of buildings. Charlie Moore spoke against any changes to the “Y” which is critical for connecting to IBM and Burlington.

3. Amtrak

Charlie Miller reported the Vermonter has shown an increase in ridership each month. Revenues are up 17.9%. Under the new contract the state gets full credit from ridership/revenues. The Ethan Allen Express ridership was strong in October, 2008, but since then there has been a flattening. Revenues were Budgeted at 5% and have been at 4.5% year-to-date.

Carl Fowler stated the drop on the Ethan Allen Express in December is due to the multi-day suspension of the train from New York City to Albany caused by CSX. Regarding revenues, it was explained the Ethan Allen Express is down by month, but cumulatively up due to the strong performance in October, 2008. Mr. Fowler stated typically patronage falls when the public hears of the service stopping or being suspended. There is usually a

spike in ridership as people take their last ride. Amtrak service south of Albany is sold out and a percentage of the allocation goes to Vermont.

Scott Howland stated nationally the Vermonter compares favorably with long distance trains. The Ethan Allen Express is lower for regional numbers.

Joann Erenhouse asked if the passenger high speed train from Albany to Toronto will impact the Ethan Allen Express. Charlie Miller stated there is no impact going from Albany to Toronto, but there would be an impact if the train went to Montreal. Carl Fowler interjected the train is from New York to Toronto and will travel at speeds of 110 mph. The Ethan Allen Express will be impacted because the train runs on the same line.

4. Audit Report

Tom Daniel, VTrans Director of Finance Administration, briefed the Rail Council on the recent audit of the Rail Program by the state auditor. The audit was an examination of how VTrans administers the rail program and where improvements can be made. Issues identified in the audit include examining the need to do a competitive bid for larger rail construction projects, improving invoicing to have better accuracy of receipts and payments, updating contract language relative to liability insurance, improving inventory control methods (especially track and associated materials), and improving the way audits are addressed. There will be an analysis of the benefits, costs, drawbacks of contracting methods, rail force accounting versus competitively bidding contracts, and the method to better reconcile invoices (timelines for receipt and payment). Having a facility to store materials is not cost effective. How other states handle this and what the industry standard is will be investigated. Contract language relative to liability exposure will be improved. The state auditor will be informed of these activities. The Rail Section is accountable for use of public funds.

Mike Coates asked if the audit was a management audit. Mr. Daniel stated the audit was more of an operational audit and included more than just review of financial statements associated with rail.

Charlie Moore asked if there are any fines that will impact projects as a result of the audit. Mr. Daniel said not at this time. The state auditor can go back 10 years. Some matters have been resolved with agreements or settlements. The goal is not to put the railroads out of business.

Carl Fowler observed the assumption in the audit was contracts to operate the railroads in the state could have been put out to multiple bids, but this depends on the nature of the work. If a bridge washes out this must be fixed immediately to keep the line in operation. With railroads, work has to be done routinely and if something goes wrong that has to be addressed immediately. Tom Daniel stated the analysis will identify appropriate contract methodology. The state auditor spent two months on the audit.

Dave Allaire suggested the audit presentation be given to the House and Senate transportation committees to help with rail project decisions. The information shows money is being spent wisely. Tom Daniel said the Senate received an overview only.

Mike Coates asked how the relationship with the FRA and FHWA fits in. Sonny Audette questioned if major changes will be necessary in the Rail Division. Mr. Daniel stated if in the future contracts are competitively bid then there will be a need to have certain skills to develop plans and contracts.

5. Washington County Economic Development Project

Dave Wulfson updated the Rail Council on the potential contract to transport granite from the Rock of Ages by rail to sites outside Vermont. There is now a 50/50 chance of the contract happening due to current economic times. A decision will be made by summer. The company, Washington Rock, said they are committed to using the rock. Granite is wanted specifically. If the contract goes through then the Washington County railroad will be very busy. There is potential for up to five permanent positions and three temporary positions, a two-man train crew, and up to 17 positions with the company. There was further discussion of the rail line upgrade with continuous welded rail, using the Bombardier building, the rock crushing operation being outside on Rock of Ages property, and the number of loads per day (10). The operation would run for 20 years though the rock supply without the need to do further mining/blasting will last 50 years. If the railroad is upgraded with the project then there could be regional passenger service into Montpelier and Barre.

Charlie Moore offered to discuss the proposal with the Governor at an upcoming luncheon in St. Albans.

Chris Martel asked about an upgrade to the cars. Dave Wulfson said a commitment was made to have the line operational within three months and upgrades finished by the end of summer. The operation will run nine months out of the year. Mr. Martel asked about advancing any regulatory work. Mr. Ide said it appears only one right-of-way that was previously sold must be obtained.

MOTION by Mike Coates, SECOND by Charlie Moore, that the Rail Council supports the economic initiative of the proposed quarry operation in Barre Town as reported by Dave Wulfson. VOTING: unanimous; motion carried.

6. Update on Stimulus Package

Jeff Munger and Ted Brady provided an update on the status of the stimulus package. Attempts to increase transportation dollars, specifically rail, have not been successful to date. Mr. Brady reported the Senate side is holding the numbers as previously presented. There is an add-on of \$25 billion for infrastructure. The vote in the Senate is expected the week of February 2nd then to conference and hopefully passed by Presidents' Day. Jeff Munger mentioned the Senate surface transportation item of \$5.5 billion and items under the discretion of the Secretary including \$250 million for FRA grants to states and \$850 million for Amtrak for capital investments in states with Amtrak service to improve

passenger service. The provision that half the Amtrak money be used in the northeast corridor is still in place. Of the \$250 million FRA money there is a separate section for light rail and commuter rail.

Jeff Munger reported Vermont's Congressional delegation is still pursuing having stimulus dollars be used toward the match for SAFETEA-LU projects. Ted Brady added there is \$80 billion in the Educational Stabilization Fund which is a blank check for governors. This translates to \$150 million for Vermont used at the discretion of the Governor. Stimulus money covers remodeling schools, higher education, broadband, and improving the electric grid. Transportation is only a portion of the package. Ted Brady stated there is pressure from the state to use the money for Vermont (\$150 million in transportation funds) for maintenance of roads instead of new projects. There is \$9 billion in broadband and \$40 million for the revolving clean water and wastewater fund. Robert Ide observed rail appears to have lost some of its luster in the conversations of the stimulus package. Jeff Munger said there is rumor Amtrak runs on many rail lines they do not own. There is concern about giving public money to private ownership. There is also discussion of the high speed rail. Rail does not have as large a constituency as other issues, stated Mr. Brady. Sonny Audette observed waste water and clean water activities take more money.

7. Report from Brad Worthen re: Service from Burlington Airport to Montreal

Robert Ide reported Brad Worthen indicated Burlington Airport is still interested in bus service from Montreal to the airport (three trips per day, nonstop service). Jeff Munger added the "Burlington Airport Express" bus service from Montreal to Burlington International Airport is proposed to offer three roundtrips per day to meet JetBlue and USAirways flights (6 a.m., mid-day, and evening flights). The bus will leave Canada around 2 a.m. to get through the border and meet the 6 a.m. flight. The bus company is also interested in continuing on to connect with Dartmouth Coach bus service on the eastern side of the state. It is hoped to have the express bus service from Montreal to Burlington operating within the next three or four months. Burlington Airport has plans to expand the parking facility; available parking will be reduced during construction.

8. Further Discussion of Amtrak/Bus Service from St. Albans to Montreal

9. Discussion of Talking Points Paper on Performance Enhancements (Carl Fowler)

Carl Fowler calculated at \$35/person the "Am-Bus" between St. Albans and Montreal would need 10-15 riders each way. The bus from Burlington Airport could continue to the Amtrak station in Essex Junction to work in conjunction with the train. Financial data on the service is needed to determine the economics. Service is feasible from St. Albans to Montreal from a schedule perspective. Crossing the border is an issue which could impact the schedule. It is estimated up to 40 passengers per day would need to ride the train. This number could be an aggregate from all stations in Vermont. Reference in the train schedule to connecting bus services needs to be done as people are not aware of connecting services, stated Mr. Fowler. Charlie Miller noted the connecting service was officially discontinued four years ago and Amtrak has not been approached about the schedule. Mr. Fowler pointed out the issue of when the train is to arrive to meet bus

service can be resolved by coordinating with the bus operators. Bus service offers enhanced or additional service if funding is available. It is critical to market the service. Mr. Fowler urged meeting with regional bus authorities to identify what needs to be done to coordinate with the train. Money has to be spent for advertising. Costs can be recovered with increased ridership. Robert Ide pledged to work with Amtrak about including more information on bus connections in the schedule. Carl Fowler added details about the Killington-Rutland bus service and the Bellows Falls-Chester-Ludlow-Rutland service should also be included. Dartmouth Coach should be contacted regarding connection to the White River Jct. station.

There was discussion of buying train tickets. Carl Fowler said tickets are sold on board or at the station. E-tickets will soon be an option. E-tickets can be printed from home computers. Amtrak needs to better explain how to purchase a ticket at unmanned stations. The on-board crew can produce a ticket, but some choose not to do this. The Amtrak conductor knows the available number of seats on the line and can hand write a ticket on board. Scott Howland confirmed tickets can be issued on board. A conductor will be disciplined if a ticket is not issued on-board, said Mr. Howland. It was noted the purchase of ticket machines was passed by the Vermont House, but not the Senate.

Carl Fowler questioned why Amtrak is charging the state for two locomotives. Charlie Miller said there was a shortage of cab cars and the two diesel locomotives are for dependability especially in winter. Scott Howland stated the second locomotive is usually off line. Carl Fowler suggested using de-powered cab cars and one engine to save money.

10. Future of DMU Project

Robert Ide reported VTrans is monitoring the situation with Colorado Railcar very closely, and will continue to explore options. Farmrail has approached VTrans regarding their product. Other vendors and products will be investigated to learn what is available and if customer needs will be satisfied. Jeff Munger noted the equipment must satisfy Amtrak and according to an official with Amtrak the RDC cars will not do this. Carl Fowler recalled from 1970-1990 Amtrak ran RDC equipment, but the cars were old and not well maintained so Amtrak did not have a good experience. Mr. Fowler felt regional rail service within the state using RDC equipment is possible and can include a connection from Burlington to Rutland to the Ethan Allen Express. Budd cars could be used to serve Montpelier, Waterbury, Burlington and Charlotte.

Carl Fowler asked about the \$2 million grant from Amtrak. Charlie Miller stated Amtrak would like to do something with the grant money. It is not known if the grant is lost to the state. Jeff Munger urged confirming the status of the grant money from Amtrak. Dave Wulfson suggested finding out what Amtrak is looking for in new equipment on the secondary lines that the DMU cars would run on. Scott Howland said Amtrak will be looking for equipment as well. The state should buy domestically built cars, stated Mr. Wulfson, adding there is new locomotive technology with fuel efficiencies. Charlie Miller clarified the grant from Amtrak was to purchase new and innovative equipment. Amtrak is willing to look at a proposal by a manufacturer and have the state try innovative new technology. Various manufacturers and vendors have been contacted.

Carl Fowler showed a photograph of a long distance inter-city passenger rail car that could be put into operation.

11. Other Business

Rail Council Meeting Schedule

Mike Coates stated the Rail Council should be meeting at least every other month. The Executive Order says the group should meet no less than four times per year. Council members should have the opportunity to say whether they would attend a meeting if compensated or not. Much time has been spent on rail issues by the Rail Council. Mr. Coates volunteered to see the rail system get up to standard whether reimbursed for his time or not. Signed vouchers will be paid when they are received. Robert Ide confirmed having the meetings is a cost issue. Members can individually decide to submit the reimbursement paperwork or not. Carl Fowler suggested a meeting in March to have opportunity for input before the legislative session ends even if this means eliminating another meeting during the year.

Carl Fowler made a motion saying provided VTrans can find a meeting room the Rail Council shall meet on 3/4/09 and have on the agenda a report on the status of projects. The motion did not have a second. Discussion continued on the meeting schedule. Robert Ide said if a meeting is held in March that would mean the Council has already had three meetings in the calendar year. Mary Anne Michaels mentioned in the first two weeks of March the legislature will be on hiatus so this may not be the opportune time for the Rail Council to meet. Jeff Munger mentioned February 13th is the target for the stimulus bill to be signed. Possible meeting dates of March 18th or March 25th were suggested. March 25th was selected as the next meeting of the Rail Council.

Status of Ethan Allen Express

Robert Ide reported the proposal is to replace Amtrak service (Ethan Allen Express) with bus service on the western corridor to save money. The House transportation committee has taken more testimony on the matter than the Senate transportation committee.

Jeff Munger cautioned that the consequence of the decision according to a senior official with Amtrak is that once the service is gone it will not be reinstated for at least 10 years or longer. Dave Wulfson added the Amtrak equipment on the Ethan Allen Express and the time slot will be absorbed by other train services within an hour of stopping service in Vermont.

Rick Moulton expressed outrage at the intransigent position of the Administration, recalling past discussions by the Rail Council of establishing a rail authority and being held up by VTrans. To cancel the Ethan Allen Express service flies in the face of the resolution and input from the Rail Council, stated Mr. Moulton. Robert Ide pointed out the severity of the issues facing the legislature, including transportation, Medicaid, school funding, and the depth of the financial situation facing the state. The Budget has to be balanced and the choices are not easy. Also, it was not the state's intention to be using Amtrak equipment 10 years from now.

Chris Andreasson suggested looking at what can be done rather than what to cut. Jeff Munger interjected there will be \$150 million from the stimulus package for use at the Governor's discretion. Dave Allaire urged looking at what can be done to build service on the western corridor including service to Burlington. The Rail Council made a statement and the legislature and Governor need to be lobbied. Rutland believes there is opportunity for rail service, both passenger and freight, on the western corridor.

Matt Levin observed this is an opportunity for the people who make the plans. The schedulers for the bus companies need to meet with the train people to see what works for both entities. VTrans could sponsor the meeting.

Carl Fowler referred to the economic analysis given to the House transportation committee showing actual expense of the Ethan Allen Express and the estimated number of passengers to ride the bus. Mr. Fowler asked if New York has been asked to help cover costs associated with their portion of the route. New York State will be impacted if the Ethan Allen Express service is eliminated. Charlie Miller said Amtrak is negotiating with New York on the current year contract. Vermont gets 85% of the revenue for north/southbound passengers on the Vermont line. Mr. Fowler commented the bus schedule as proposed does not address late departure northbound from New York City which is a significant amount of ridership on the train.

Joann Erenhouse commented on the irony of having an economic stimulus package and focus on infrastructure while the state is discussing eliminating an important piece of connectivity. Now is the time to put resources to intelligent uses and figure out how to save rail service on the western side of the state. The southwest portion of the state is not served. Vermont needs to keep pace with neighboring states and Canada. Giving up services is not the way to accomplish this goal.

Art Hogan, citizen, observed Vermont has always been innovative and found ways to get things done. This should be used as a working tool of the policy board and if the federal stimulus money comes through then dust off plans to get the work done. Vermont lost a 200 job facility because there was not a site along the railroad that could be accessed immediately. A map of where construction can be done along the railroad was subsequently drawn. This can be viewed as completion of a commitment by George Aiken when the interstate along the Connecticut River was built to improve the corridor. There must be consideration of what can be done as a state to put Vermonters back to work

12. Next Meeting/Agenda Items

Next Meeting: March 25, 2009, National Life Building, Montpelier, 1 p.m. – 4 p.m.

Agenda Items:

- Status of Projects

13. Adjournment

**MOTION by George Barrett, SECOND by Mike Coates, to adjourn the meeting.
VOTING: unanimous; motion carried.**

The meeting was adjourned at 4 p.m.

RScty: M.E.Riordan